



# HOUSE BILL 341: Unlicensed Driver/Tow Vehicle.

**This Bill Analysis  
reflects the contents  
of the bill as it was  
presented in  
committee.**

2017-2018 General Assembly

<b>Committee:</b>	House Judiciary I. If favorable, re-refer to Appropriations	<b>Date:</b>	April 14, 2017
<b>Introduced by:</b>	Reps. Cleveland, Clampitt, Collins, Millis	<b>Prepared by:</b>	Bill Patterson
<b>Analysis of:</b>	PCS to First Edition H341-CSTG-10		Staff Attorney

**OVERVIEW:** *The Proposed Committee Substitute for House Bill 341 would require the towing and storage of a motor vehicle when the operator is charged with an unlicensed driver violation unless, in the officer's presence, the charged person contacts a licensed driver who can pick up the vehicle within an hour.*

*To obtain release of the stored vehicle the owner would be required to present a valid drivers license to the charging law enforcement agency or prosecuting district attorney and, if the owner had no knowledge and no reason to know that the operator did not have a valid license, also present a written statement stating that fact and also affirming that the owner has taken reasonable precautions to prevent the charged operator from using the motor vehicle. Upon meeting these conditions, and upon payment of any towing and storage fees, the owner could obtain possession of the stored vehicle.*

*The custodian of the stored vehicle would be entitled to a storage fee not exceeding \$10 per day and would have a lien on the motor vehicle for all unpaid towing and storage costs for a vehicle not retrieved by the owner within 90 days.*

**In addition to technical and clarifying changes, the PCS added provisions requiring the holder of a perfected security interest in the vehicle to be notified of its location, and requiring release of a stored vehicle to a lienholder with a perfected security interest upon payment of towing and storage fees.**

**CURRENT LAW:** There is currently no provision of law requiring the towing and storage of a vehicle operated by a person who is charged with operating a motor vehicle without a valid license or in violation of license restrictions.

**BILL ANALYSIS:** Section 1 of the PCS would enact a new G.S. 20-35.1, which would require the towing and storage of a motor vehicle operated by a person charged with driving with no license, driving with an expired license, or failing to comply with drivers license restrictions (defined as "unlicensed driver violations"), unless a licensed driver is contacted by the charged person in the presence of the charging officer and can pick up the motor vehicle within an hour.

In order to obtain release of the towed and stored vehicle, the owner would have to satisfy a number of conditions. First, the owner would go to the charging law enforcement agency or prosecuting district attorney and present a valid drivers license. If the owner did not know and had no reason to know not the person charged did not have a valid drivers license, then the owner would also have to present the law enforcement agency or district attorney with a written document acknowledging that:

1. The motor vehicle was operated by a person charged with an unlicensed driver violation;

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2. The owner has taken reasonable precautions to prevent the use of the motor vehicle by the person charged and will immediately report any unauthorized use of the vehicle to an appropriate law enforcement agency.

Upon complying with these requirements, the owner would receive documentation from the charging law enforcement agency or prosecuting district attorney certifying such compliance, which the owner would then present to the custodian of the stored motor vehicle, together with payment in full of any towing and storage costs, whereupon the vehicle would be released.

The custodian of the stored motor vehicle would be entitled to charge a maximum storage fee of \$10 per day. If the owner did not obtain release of the vehicle within 90 days, then the custodian would also be granted a lien upon the vehicle for all towing and storage costs.

The charging law enforcement agency would be required to contact the Division of Motor Vehicles to request the name and address of any lienholder with a perfected security interest in the vehicle within one regular business day after towing of the vehicle. DMV would then be required to respond within one regular business day, and within 24 hours of receiving this information the law enforcement agency would be required to notify any lienholder mail of the name and address of the location of the stored vehicle by first-class mail.

**Section 2** of the PCS would exempt vehicles towed and stored pursuant to G.S. 20-35.2 from the lien rights granted under G.S. 44A-2(d) for towing or storing a motor vehicle pursuant to an express or implied contract with the owner. Instead, the right to payment for such towing and storage charges would be those provided under G.S. 20-35.1.

**EFFECTIVE DATE:** This act would become effective on December 1, 2017, and would apply to charges filed on or after that date.